



MANAGEMENT'S DISCUSSION AND ANALYSIS -  
QUARTERLY HIGHLIGHTS  
(EXPRESSED IN US DOLLARS)  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

C2-202, Level 2, Office Block C, La Croisette, Grand Baie 30517, Mauritius  
Phone: +230 269 4166  
[www.alphaminresources.com](http://www.alphaminresources.com)

## TABLE OF CONTENTS

INTRODUCTION .....	2
OVERVIEW AND OUTLOOK.....	2
KEY OPERATING MILESTONES.....	3
CURRENT COMPANY OBJECTIVES .....	5
SELECTED CONSOLIDATED FINANCIAL INFORMATION .....	5
LIQUIDITY AND CAPITAL RESOURCES.....	7
RELATED PARTY TRANSACTIONS .....	7
INTERNAL CONTROL .....	8
RISK FACTORS .....	8
OTHER MD&A REQUIREMENTS .....	8
USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES.....	8
QUALIFIED PERSON .....	11
APPROVAL .....	11

## INTRODUCTION

This Management's discussion and analysis – quarterly highlights (“Quarterly Highlights”) of the financial position and results of operations of Alphamin Resources Corp. (“Alphamin,” or “the Company”) should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes thereto as at and for the three months ended June 30, 2023 and the audited annual consolidated financial statements of the Company as at and for the year ended December 31, 2022. In this discussion and analysis, unless the context otherwise dictates, a reference to the Company refers to Alphamin Resources Corp. and its subsidiaries. Additional information about Alphamin Resources Corp. is available on SEDAR at [www.sedar.com](http://www.sedar.com). This Quarterly Highlights is dated August 17, 2023, and information contained herein is presented as of that date, unless otherwise indicated.

This discussion and analysis contains forward-looking statements. Please refer to the cautionary language under “Forward-Looking Statements” within this report.

## OVERVIEW AND OUTLOOK

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ✓ **Interim dividend for FY2023 of CAD\$0.03 per share** declared
- ✓ **Tin production of 3,151 tonnes for the quarter**, in line with the previous period
- ✓ **Q2 2023 EBITDA<sup>2,3</sup> of US\$35.4m** at a tin price of US\$25,587/t
- ✓ **Mine expansion project planned to increase annual tin production by 60%** progressing well

### Operational and Financial Summary for the Quarter ended June 30, 2023<sup>1</sup>

Description	Units			
Description	Units	Quarter ended June 2023	Quarter ended March 2023	Change
Ore Processed	Tonnes	99,035	95,751	3%
Tin Grade Processed	% Sn	4.21	4.38	-4%
Overall Plant Recovery	%	76	76	0%
Contained Tin Produced	Tonnes	3,151	3,187	-1%
Contained Tin Sold	Tonnes	3,068	3,161	-3%
EBITDA <sup>2</sup>	US\$'000	35,400	41,391	-14%
AISC <sup>2</sup>	US\$/t sold	13,987	13,915	1%
Average Tin Price Achieved	US\$/t	25,587	26,432	-3%

<sup>1</sup>Production and financial information is disclosed on a 100% basis. Alphamin indirectly owns 84.14% of its operating subsidiary to which the information relates. Totals may not add due to rounding effects. <sup>2</sup>This is not a standardized financial measure and may not be comparable to similar financial measures of other issuers. See “Use of Non-IFRS Financial Measures” below for the composition and calculation of this financial measure.

## DESCRIPTION OF THE BUSINESS

Alphamin's primary business is the production and sale of high-grade tin concentrate from the Bisie Tin Mine in the Democratic Republic of the Congo ("DRC"). The Company commenced commercial production on September 1, 2019. The Bisie Tin Mine occurs within Permis de Exploitation (Mining Permit) PE13155, along with 3 research permits granted to Alphamin's DRC-registered subsidiary, Alphamin Bisie Mining SA ("ABM"). ABM is an 84.14% indirect controlled subsidiary of Alphamin, with the remaining 15.86% owned by the DRC government (5%) and the Industrial Development Corporation of South Africa Ltd ("IDC") (10.86%). All tenements are located within the Walikale District, North Kivu Province of the east-central DRC and lie within one of the world's principal gold and tin metallogenic provinces. The shares of Alphamin are listed on the TSX Venture Exchange ("TSX.V" - symbol AFM) in Canada, and the Johannesburg Stock Exchange AltX (symbol APH) in South Africa. For further information on the Company, readers are referred to the Company's website ([www.alphaminresources.com](http://www.alphaminresources.com)) and to Canadian regulatory filings on SEDAR at [www.sedar.com](http://www.sedar.com).

## KEY OPERATING MILESTONES

### Operational and Financial Performance – Q2 2023

Alphamin achieved high tin production of 3,151 tonnes for the quarter ended June 2023. Year-to-date tin production of 6,338 tonnes exceeds the run-rate to achieve market guidance of 12,000 tonnes for the year ending December 2023. The run-of-mine and crushed ore stockpiles ahead of the processing plant were at record levels at quarter-end, being 27,439 tonnes at an average tin grade of 6.74% (Q1: 15,011 tonnes at 5.98%).

Sales volumes of 3,068 tonnes of tin, at an average tin price of US\$25,587/t were, as a result of a timing difference, less than production, which impacted the quarter's EBITDA. AISC per tonne of tin sold was US\$13,987, in line with the previous quarter albeit sales volumes were 3% lower. EBITDA for the quarter ended June 2023 was US\$35.4 million, US\$6 million below the previous quarter's EBITDA of US\$41.4 million due to the lower tin price and delayed sales which should clear during the next quarter.

### Mpama South development project

A total of 1,460m of underground development at Mpama South has been completed to date, of which 603m was achieved in Q2 2023 (Q1: 418m). Development accelerated during Q2 2023 as additional underground equipment arrived on site. During July 2023, the underground development connecting Mpama North and Mpama South has reached the intersection point where the new Mpama South adit from surface will connect. The Mpama South adit has intersected a 6m wide area of extremely poor ground conditions which is delaying advancement. The adit is now expected to connect with the Mpama South underground workings during November 2023, in time for the tramming of ore to the new processing facility. The year-to-date development metres are in line with the Company's updated two-year underground mine plan to achieve the targeted tin production expansion from FY2024. This plan requires an additional ~2,000m of underground development at Mpama South during the six months ending December 2023, which should be achievable as additional development ends become available from Q3 2023.

The new processing facility is progressing well. Following completion of all procurement, design and engineering, fabrication, earthworks and substantially all civils, the focus has moved to plant erection and tracking of steel and equipment in transit. During the quarter, the fine tin plant structure, primary crusher structure and concentrate drying and storage building have been erected. The gravity plant is at first floor level and the secondary crushers are on the third floor level. The commissioning of the new processing plant is targeted to commence in December 2023 whereafter first ore is expected to be processed from late January 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

---

The Alphamin project team, together with the existing site team, remains focussed on operational readiness preparation. This primarily involves recruitment and training of personnel, expansion of the laboratory and accommodation facilities and infrastructure, and increasing the supply chain to meet the additional production.

The Mpama South project is expected to increase annual tin production from ~12,500 tonnes to ~20,000 tonnes.

### **Exploration activities**

Significant success had been achieved from the various resource extension drilling campaigns at Mpama North and Mpama South during 2021 and 2022. Updated resource statements for Mpama North and Mpama South were published during July 2022 and February 2023, respectively. The Company is actively exploring for more tin deposits on its license areas.

The Company resolved to reduce exploration activities during 2023 with a view to preserving capital for priority application towards the development of the Mpama South project. The focus for 2023 is a regional greenfields campaign. Execution of the extensive prospecting coverage gathered momentum with the completion of the first pass stream sediment sampling, grab sampling and geological mapping for the first time across the entirety of Alphamin's mining license and two prospecting licences. Additionally, follow up ionic soil sampling and bulk sampling (20kg samples) were completed over the most anomalous areas off the back of the first phase results. Certain areas warranted follow-up exploration efforts based on these results and the next phase of exploration is using more intensive methods like trenching and pitting over the identified anomalies. The trenching and pitting will in turn assist in directing future drilling efforts.

Increased exploration activity and expenditure is planned for 2024, post the successful completion of the Mpama South expansion project.

### **Funding structure and capital allocation**

Alphamin's vision is to become one of the world's largest sustainable tin producers. From a capital allocation perspective, the Board considers the combination of investment in growth, ongoing exploration, and a high dividend yield a robust value proposition. From a FY2023 capital allocation perspective, the funding of the Mpama South expansion project, DRC income tax payments and shareholder distributions remain the priority.

During the quarter ended June 2023, the Company's DRC operating subsidiary paid US\$56 million in final FY2022 corporate taxes and US\$11 million as the first of four instalments towards provisional FY2023 taxes. At the current tin price, the Company does not expect a significant final FY2023 tax payment to be required, which would ordinarily be due in early 2024. A US\$40 million short-term facility was secured with the Company's banking institution in the DRC as bridging finance towards the unusually high tax payments in 2023 (of which US\$26 million of the facility was utilised in Q2 2023).

By quarter-end, the Company had spent US\$75 million cash on the Mpama South project of which US\$30 million was in Q2 2023. The project is forecast to substantially complete within the budget of US\$116 million.

The Alphamin consolidated Net Cash position decreased by US\$75 million during Q2 2023 mainly related to an aggregate of US\$97 million allocated to the Mpama South development and DRC taxes. Cash on hand amounted to US\$51.4 million as at 30 June 2023.

The Company negotiated a draft restated credit agreement to raise an additional US\$10m in senior debt finance. The additional funding is subject to signature of the restated credit agreement and meeting its drawdown conditions, which is expected soon. In terms of the draft restated credit agreement, the current senior debt balance of US\$5m together with the new potential funding will be repayable over two years from January 2024. Under the draft revised terms there is no requirement for political risk insurance or a debt service reserve account and there are no restrictions on dividends, provided

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

covenants have not been breached. The draft terms are otherwise substantially the same as the existing facility. The Company will publish a news release on signature of the restated credit agreement.

## CURRENT COMPANY OBJECTIVES

The current Company objectives are to:

1. Continue mining safely with due regard to the health of our employees and the impact on the environment.
2. Consistently produce and sell 12,500 tonnes per year contained tin from the Mpama North mine.
3. Develop the Mpama South deposit and plant infrastructure for commissioning from December 2023 and thereby increase targeted annual contained tin production from the current 12,500 tonnes per year to ~20,000 tonnes per year.
4. Add significantly to the current life of mine through drilling campaigns at Mpama South and Mpama North. Exploration around the Bisie area in search of a third tin deposit.
5. Maintain a balanced distribution of value amongst key stakeholders, notably provincial and national government through legislated taxes, our local communities from our committed social spend of 4% of on-mine operating expenditure, shareholders and debt providers.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

		Q2 2023	Q1 2023	Variance	Q2 2023	Q2 2022	Variance
Revenue	\$'000	75,742	82,971	-9%	75,742	111,471	-32%
Cost of sales	\$'000	(42,726)	(44,330)	-4%	(42,726)	(45,862)	-7%
Gross profit	\$'000	33,017	38,641	-15%	33,017	65,609	-50%
General and administrative	\$'000	(6,101)	(5,561)	10%	(6,101)	(6,075)	0%
Operating profit/(loss)	\$'000	26,916	33,080	-19%	26,916	59,534	-55%
Other							
Profit on foreign exchange	\$'000	2,169	(354)	-712%	2,169	49	4310%
(Loss) on disposal of assets	\$'000	0	0	n/a	0	0	n/a
Interest expense	\$'000	(1,300)	(1,541)	-16%	(1,300)	(1,249)	4%
Interest income	\$'000	2	336	-99%	2	1	281%
Profit before taxes	\$'000	27,787	31,521	-12%	27,787	58,335	-52%
Current income tax expense	\$'000	(10,190)	(11,431)	-11%	(10,190)	(24,028)	-58%
Deferred tax movement	\$'000	168	(198)	-185%	168	1,608	-90%
NET profit <sup>1</sup>	\$'000	17,765	19,892	-11%	17,765	35,915	-51%

Cost of Sales		Q2 2023	Q1 2023	Variance	Q2 2023	Q2 2022	Variance
Treatment costs	\$'000	(5,807)	(5,912)	-2%	(5,807)	(6,725)	-14%
Transport and selling costs	\$'000	(10,936)	(11,607)	-6%	(10,936)	(13,493)	-19%
Mine operating costs	\$'000	(16,632)	(16,777)	-1%	(16,632)	(15,032)	11%
Inventory movement	\$'000	392	(127)	-409%	392	(347)	-213%
Royalties	\$'000	(1,946)	(2,107)	-8%	(1,946)	(3,250)	-40%
Depreciation, depletion and amortization	\$'000	(7,797)	(7,799)	0%	(7,797)	(7,015)	11%
Cost of sales total	\$'000	(42,726)	(44,330)	-4%	(42,726)	(45,862)	-7%

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

		Q2 2023	Q1 2023	Variance	Q2 2023	Q2 2022	Variance
Tonnes processed	t	99,035	95,751	3%	99,035	112,569	-12%
Tin grade processed	t	4.2%	4.4%	-4%	4.2%	3.7%	15%
Recoveries	t	76%	76%	0%	76%	77%	-2%
Payable tin produced	t	3,151	3,187	-1%	3,151	3,180	-1%
Payable tin Sold	t	3,068	3,161	-3%	3,068	3,229	-5%
Average tin price achieved	\$/t	25,587	26,432	-3%	25,587	35,345	-28%
Revenue	\$'000	75,742	82,971	-9%	75,742	111,471	-32%
Off mine costs	\$'000	(18,689)	(19,626)	-5%	(18,689)	(23,468)	-20%
Net on mine revenue	\$'000	57,053	63,345	-10%	57,053	88,003	-35%
Operating and administrative costs	\$'000	(21,964)	(21,854)	1%	(21,964)	(20,725)	6%
Concentrate stock movement (excluding depreciation)	\$'000	311	(100)	-411%	311	(274)	-214%
EBITDA <sup>1, 2</sup>	\$'000	35,400	41,391	-14%	35,400	67,004	-47%

Reconciliation of operating profit to EBITDA		Q2 2023	Q1 2023	Variance	Q2 2023	Q2 2022	Variance
Operating Profit	\$'000	26,916	33,080	-19%	26,916	59,534	-55%
Adjustments;							
Depreciation, depletion & amortisation	\$'000	7,797	7,799	0%	7,797	7,015	11%
Depreciation in stock movement	\$'000	(82)	27	-404%	(82)	73	-212%
Borrowing costs in G&A	\$'000	0	0	n/a	0	20	-100%
Share based payments in G&A	\$'000	643	358	80%	643	235	174%
Depreciation in G&A	\$'000	126	127	-1%	126	127	-1%
EBITDA <sup>1, 2</sup>	\$'000	35,400	41,391	-14%	35,400	67,004	-47%

AISC per tonne of contained tin sold		Q2 2023	Q1 2023	Variance	Q2 2023	Q2 2022	Variance
On mine operating costs	\$'000	21,653	21,953	-1%	21,653	20,999	3%
Tonnes of contained tin sold	t	3,068	3,161	-3%	3,068	3,229	-5%
On mine costs per tonne	\$/t	7,058	6,945	2%	7,058	6,503	9%
Off mine costs per tonne	\$/t	6,092	6,209	-2%	6,092	7,268	-16%
Sustaining capex per tonne	\$/t	838	761	10%	838	906	-8%
AISC <sup>1, 2</sup>	\$/t	13,987	13,915	1%	13,987	14,677	-5%

**Profit for the three and six months ("Q2 2023") and ("H1 2023") ended June 30, 2023, compared to the three and six months ("Q2 2022") and ("H1 2022") ended June 30, 2022**

The profit before tax for Q2 2023 and H1 2023 was US\$27.8m and \$59.3m, respectively, compared to US\$31.5m in Q1 2023, \$58.3m in Q2 2022 and US\$146.8m in H1 2022. Sales volumes were down 5% compared to Q2 2022 and 3% compared to Q1 2023. Production has remained relatively steady across the quarters with a 1% decrease compared to Q2 2022 and Q1 2023. Half year production is up 2% and sales are down 5%. The average tin price achieved in Q2 2023 was US\$25,587/t, down 3% from the prior quarter and down 28% compared to Q2 2022. Tin price fluctuations account for the majority of the variance in profit across the quarterly periods.

AISC<sup>2</sup> increased by 1% from Q1 2023 to Q2 2023 and decreased by 5% compared to Q2 2022. This was largely driven by tin market prices which affects marketing commissions, royalties, export duties and smelter deductions reported as off-mine costs within AISC. On-mine costs per tonne of tin sold during Q2 2023 were up by 2% compared to Q1 2023 and up 9% since Q2 2022. The increase compared to a year ago (Q2 2022) is mainly due to additional underground development metres achieved and 5% lower tin volumes sold.

## LIQUIDITY AND CAPITAL RESOURCES

Cash on hand decreased from US\$119.4 million at the end of December 2022 to US\$51.4m at the end of Q2 2023, after tax payments of \$67.2m, dividend payments of US\$27.7m and cash of US\$45m applied to the Mpama South project.

Net Cash<sup>2</sup> decreased from US\$109 million at the end of Q4 2022 to US\$10.9 million at the end of Q2 2023. The decrease is as a result of capital allocated to the Mpama South project, DRC taxes, dividends, working capital, an increase in debt in the form of a bank overdraft in the DRC (\$26.1m at end Q2, 2023) and an increase in new leased assets as the Company expanded its mining fleet as part of the development ramp up of the Mpama South project.

During Q2 2023, the Company paid DRC taxes in the amount of \$67.2m. Post period end the Company will make a further provisional tax payment of \$11m and have two remaining provisional tax payments for FY2023 in line with the DRC tax law of circa \$11m in each of September and November 2023. Tax payments during FY2024 will as a result be expected to reduce significantly compared to FY2023.

### ***Operating activities***

Cash generated from operations in Q2 2023 was US\$37.8m compared to US\$66.8m in Q2 2022. The variance was largely due to the difference in the average tin market price achieved between the reporting periods.

### ***Investing activities***

Cash used in investing activities in Q2 2023 was US\$35.4m compared to US\$5.6m in Q2 2022. The increase is due to additional capital being applied to the Mpama South development project.

### ***Financing activities***

Cash flows from financing activities were US\$25.2m in Q2 2023 as a result of the bank overdraft obtained in the amount of \$26.1m compared to an outflow of \$7.7m in Q2 2023 as a result of distributions paid to non-controlling shareholders of the DRC operating entity. A CAD\$0.03 per share dividend was declared post period end and will be paid on August 25, 2023 to shareholders of record on August 11, 2023.

### ***Liquidity outlook***

The market price for tin continues to be highly volatile, currently trading at around US\$25,000/t. The high margin nature of the Bisie Tin Mine allows the Company to pursue its growth plan with the development of the Mpama South deposit being the priority. Due to uncertainty in the short-term outlook for tin prices, the Company resolved to reduce exploration activities during 2023 with a view to preserving capital for priority application towards the development of the Mpama South project. Dividend distributions will be considered semi-annually based on excess free cash after taking account of DRC tax payments, the capital funding requirements for the new Mpama South expansion project, the short-term tin price outlook and available debt finance facilities.

## RELATED PARTY TRANSACTIONS

For the quarter ended June 30, 2023, US\$12,000 was paid to Adansonia Management Services Limited for corporate secretarial services performed by Mrs Zain Madarun. Adansonia Management Services Limited is owned by Adansonia Holdings Limited, which is ultimately owned by Rudolf Pretorius, a Director of the Company, and Mrs Zain Madarun, Company Secretary and Director. All potential conflicts have been disclosed via the Company's interest register.

US\$34,725 was paid to Pangea (Pty) Ltd relating to management fees and office rent. Maritz Smith, the Company's Chief Executive Officer, is a director of Pangea.

## INTERNAL CONTROL

In accordance with National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

## RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2022, available on SEDAR at [www.sedar.com](http://www.sedar.com), and elsewhere in these Quarterly Highlights, for a description of these risk factors.

## OTHER MD&A REQUIREMENTS

### Risks and Uncertainties

A number of fines and penalties have been received from various governmental authorities. The Company is disputing these as it believes it to be substantially compliant and does not expect material settlements. A contingent liability of US\$500,000 has been disclosed in the financial statements in respect of these fines.

The tin price has been highly volatile in the last two years. The market price of tin is currently trading at around US\$25,000/t. The Company is a low-cost producer of tin with good operating margins at current prices and has a strong balance sheet with large cash reserves and debt facilities. Capital allocation will be prioritised towards the development of the Mpama South deposit, DRC income taxes due during 2023 and shareholder distributions.

### Outstanding share data

Balance as at:	June 30, 2023	August 16, 2023
Common shares outstanding	1,275,343,813	1,275,343,813
Options outstanding	9,100,000	9,100,000
Options exercisable	2,500,000	2,500,000
SAR Equivalent Shares (SARES) outstanding	11,506,742	11,506,742
SARES with remaining dividend entitlements	3,500,000	3,500,000

## USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This Quarterly Highlights refers to the following non-IFRS financial performance measures: Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Net cash/(debt) and All-In Sustaining Cost ("AISC").

These measures are not recognized under IFRS as they do not have any standardized meaning



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023**

prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. We use these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables us to assess performance trends and to evaluate the results of the underlying business of the Company. We understand that certain investors, and others who follow the Company's performance, also assess performance in this way.

We believe that these measures reflect our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

**EBITDA**

EBITDA provides insight into our overall business performance (a combination of cost management and growth) and is the corresponding flow drivers towards the objective of achieving industry-leading returns. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, servicing debt, pay taxes and funding capital expenditures and investment opportunities. EBITDA is profit before net finance expense, income taxes and depreciation, depletion, and amortization. See "Selected Consolidated Financial Information" for the calculation of our EBITDA and a reconciliation to operating profit.

**Net Cash**

Net debt demonstrates how our debt is being managed and is defined as total current and non-current portions of interest-bearing debt and lease liabilities less cash and cash equivalents.

	<b>June 30, 2023 USD</b>	<b>December 31, 2022 USD</b>
Bank overdraft	(26,123,377)	-
Current portion of lease liabilities	(4,274,954)	(2,394,497)
Current portion of debt	(5,022,674)	(4,657,882)
Non-current portion of lease liabilities	(5,004,845)	(3,000,602)
<b>Total debt</b>	<b>(40,425,850)</b>	<b>(10,052,981)</b>
Less: cash and cash equivalents	51,361,956	119,388,687
<b>Net cash/(debt)</b>	<b>10,936,106</b>	<b>109,335,706</b>

**Cash Costs**

This measures the cash costs to produce and sell a tonne of contained tin. This measure includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp and head office costs), and smelting, refining and freight, distribution and royalties. Cash Costs do not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining, borrowing costs and exploration expenses.

**AISC**

This measures the cash costs to produce and sell a tonne of contained tin plus the capital sustaining costs to maintain the mine, processing plant and infrastructure. This measure includes the Cash Cost per tonne and capital sustaining costs together with concentrate stock movement divided by tonnes of contained tin sold. All-In Sustaining Cost per tonne does not include depreciation, depletion, and amortization, reclamation, borrowing costs, exploration expenses and expansion capital expenditures.

Sustaining capital expenditures are defined as those expenditures which do not increase payable mineral production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature. The following table reconciles sustaining capital expenditures to the Company's total capital expenditures:

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

		Q2 2023	Q1 2023	Variance	Q2 2023	Q2 2022	Variance
Additions to plant and equipment	\$'000	28,310	14,827	91%	28,310	5,818	387%
Expansion capital expenditures	\$'000	25,738	12,423	107%	25,738	2,894	789%
Sustaining capital expenditures	\$'000	2,572	2,404	7%	2,572	2,924	-12%

## FORWARD-LOOKING STATEMENTS

This Quarterly Highlights contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This Quarterly Highlights may contain forward-looking statements relating to, among other things, estimated 2023 tin production and future sales levels; estimated impact of Mpama South on future tin production and the timing for commissioning and production of additional tin; estimated costs of the Mpama South project; the focus and completion of future exploration programmes, and their anticipated effect on the life of the Bisie Tin Mine; possible allocation of surplus cash and future dividend payments; the Company's liquidity outlook; planned activities for the Company's operations and projects, as well as planned exploration activities and expected outcomes; and the sufficiency of current working capital. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Such factors include, without limitation: price volatility in the spot and forward markets for tin and other commodities; the economic and other effects of the COVID-19 pandemic; significant capital requirements and the availability and management of capital resources; additional funding requirements; fluctuations in the international currency markets and in the rates of exchange of the currencies of the Democratic Republic of Congo (DRC) and the United States of America (US); discrepancies between actual and estimated production and the costs thereof; between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local government legislation in the DRC or any other country in which Alphamin currently or may in the future conduct business; taxation; controls, regulations and political or economic developments in the countries in which Alphamin does or may conduct business; the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction in which Alphamin operates, including, but not limited to: obtaining the necessary permits for the Bisie Project; the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law; the uncertainties inherent to current and future legal challenges Alphamin is or may become a party to; diminishing quantities or grades of reserves and resources; competition; loss of key employees; inclement weather conditions; availability of power, water, transportation routes and other required infrastructure for the Bisie tin project; general economic conditions and inflation and rising costs of labour, supplies, fuel and equipment; actual results of current exploration or reclamation activities; uncertainties inherent to mining economic studies; discrepancies between actual and estimated capital costs for the development of Mpama South; changes in project parameters as plans continue to be refined; accidents; labour disputes; defective title to mineral claims or property or contests over claims to mineral properties; risks, uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorisations, complying with permitting requirements, including those associated with the environment and risks of security related incidents which may impact the operation or safety of its people. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and losses of processed tin (and the risk of inadequate insurance or inability to obtain insurance to cover these risks), as well as "Risk Factors" included elsewhere in this Quarterly Highlights and Alphamin's public disclosure documents filed on and available at [www.sedar.com](http://www.sedar.com).

## **QUALIFIED PERSON**

Mr. Clive Brown, Pr. Eng., B.Sc. Engineering (Mining), is a qualified person (QP) as defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in these Quarterly Highlights. He is a Principal Consultant and Director of Bara Consulting Pty Limited, an independent technical consultant to the Company.

## **APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this Quarterly Highlights. Readers of this Quarterly Highlights and other filings can review and obtain copies of the Company's filings from SEDAR at [www.sedar.com](http://www.sedar.com) and copies will also be provided upon request.